

Health Reimbursement Arrangements (HRAs)

Health Reimbursement Arrangements are a creative method for financing affordable major medical insurance. An HRA offers many options for the employer to fund employee medical expenses, whether or not they are paid by the insurance plan, if any. Assurant Health has two HRA plans, each containing many choices that enable an employer to create a unique health insurance plan that fits the needs of the employees and the business.

The following is a brief overview of HRAs:

- Could provide the best premium savings when set up in conjunction with the purchase of a higher deductible insurance plan.
- Employer has option to reimburse employees for a specific pre-determined amount of medical expenses **as the employees and their families incur them** during the year.
- Employer has option to **reimburse expenses by contributing to a fund** for each employee to use for qualified medical expenses not paid by the insurance plan.
- Expenses employers reimburse, if any, are tax-deductible for their business and tax-free for employees.

An HRA offers flexibility for the employer. The HRA is employer-sponsored and offers a variety of benefit possibilities. If the employer funds some medical expenses using an account for reimbursement, the employer retains ownership of the funds if the employee terminates.

With an HRA, the employer determines:

- The maximum amount of annual reimbursements, if any
- Who pays health care expenses first — employees or the employer through HRA reimbursements
- Whether HRA funds may be rolled over to the next year, and if so, the amount that can be rolled over
- Whether to place a cap on the amount that can be accumulated over time

HRA Plan Features

- Annual Deductible Choices — Choices from \$500 to \$10,000 for individual and to \$20,000 for family
- Benefit Percentage Choices — Choices from 50% to 100%